

HOUSE BILL 114

By Bell

AN ACT to amend Tennessee Code Annotated, Title 49,  
Chapter 2, Part 6, relative to school support  
organizations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 2, Part 6, is amended by  
adding the following language as a new section to be designated as follows:

§ 49-2-612.

(a)

(1) A school support organization that plans to raise or anticipates raising thirty thousand dollars (\$30,000) or less in school support organization funds from the start of one (1) school year to the start of the next school year shall be exempt from regulation under this part. To claim exemption under this section, the organization, at the time required by the school board's policy pursuant to § 49-2-604(b)(1)(B) for submission of forms verifying a school support organization's continued existence as a nonprofit organization or within sixty (60) days following the formation of the organization, if the organization is not in existence at the beginning of a school year, shall submit to the director of schools or the director's designee the following information:

(A) The name of the organization;

(B) The goals and objectives of the organization;

(C) The telephone numbers and addresses of the persons who are the president and treasurer of the organization or the persons who act in the capacities of president and treasurer; and

(D) A statement that the organization intends to raise thirty thousand dollars (\$30,000) or less in school support organization funds during the school year.

(2) After a school year for which a school support organization claimed exemption from regulation under subdivision (a)(1), the school support organization shall submit to the applicable school principal a list of receipts and disbursements of funds raised by the organization during such school year. Such list shall be submitted by the time for claiming exemption from regulation under this part for the school year immediately succeeding the school year for which exemption was claimed.

(b) If a school support organization, which is exempt under this section from regulation, raises in any period of two (2) consecutive school years school support organization funds averaging more than thirty thousand dollars (\$30,000) per school year, then the school support organization shall no longer be exempt from regulation under this section, but, beginning with the start of the school year immediately following such period of two (2) consecutive school years, shall comply with the policy adopted by the school board under § 49-2-604 and shall otherwise be subject to regulation under this part. If a school support organization, which is exempt under this section from regulation, raises more than sixty thousand dollars (\$60,000) in school support organization funds in a school year, then the school support organization shall no longer be exempt under this section from regulation, but, beginning at the start of the school year

immediately succeeding the school year in which it raised more than sixty thousand dollars (\$60,000), shall comply with the policy adopted by the school board under § 49-2-604 and shall otherwise be subject to regulation under this part.

SECTION 2. Tennessee Code Annotated, Section 49-2-605, is amended by adding the following language as a new subsection to be designated as follows:

(d) The director of schools or the director's designee shall include on the list required by subsection (a) in a separate category, the name of any organization claiming exemption pursuant to § 49-2-612 from regulation under this part.

SECTION 3. Tennessee Code Annotated, Section 49-2-608, is amended by designating the present language as subsection (a) and by adding the following language as new subsection (b):

(b) Notwithstanding any provision of § 49-6-612 to the contrary, the provisions of subsection (a) shall apply to school organizations claiming exemption from regulation under this part.

SECTION 4. Tennessee Code Annotated, Section 49-2-609, is amended by designating the present language as subsection (a) and by adding the following language as new subsection (b):

(b) Notwithstanding any provision of § 49-2-612 to the contrary, a school support organization that is exempt from regulation under this part, shall be subject to audit by the office of the comptroller of the treasury.

SECTION 5. This act shall take effect July 1, 2009, the public welfare requiring it.